



STATE BOARD OF EQUALIZATION

September 1, 1953

Mr. W. N--- L---
Assistant Excise Tax Counsel
S--- O---C--- of C---
S--- O--- Building
--- --- XX, California

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Dear N---:

We confirm our statement to you of August 20 that persons who agree to furnish and apply asphalt or other similar products on a lump-sum basis are considered the consumer of the asphalt or other products, provided the application thereof constitutes the improving of real property. This requires that the goods be applied in such a manner as to convert them to real property upon application.

In the case of asphalt and similar products which are applied by pressure spraying, this requirement is complied with. The mere dumping, however, of rock, sand, or gravel, which requires further spreading before the material has reached its final resting place, is regarded as mere delivery and not as improving real property.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:ph

cc: San Francisco – Tax Administrator